



**Introduction by
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Rupert Goodman,
José Ignacio Sánchez Galán CBE,
Chairman and CEO of Iberdrola
and HE Simon Manley,
British Ambassador to Spain

It gives me great pleasure to introduce this Special Report on Spain to mark the State Visit to the United Kingdom of King Felipe and Queen Letizia. Lord Hurd, Lord Cormack and I are especially grateful to His Excellency Simon Manley and his Embassy staff for all their help and guidance in the preparation of this report. We are also very grateful to the Ambassador for contributing such an important and personal article.

This State Visit to the United Kingdom is particularly timely and will help focus the attention of business leaders and policy makers on the many opportunities that exist in Spain. The visit is of particular significance being the first State Visit to the United Kingdom from a Spanish Monarch since 1986.

The strength of the United Kingdom's longstanding partnership with Spain was underlined by the successful State Visit of Her Majesty The Queen and The Duke of Edinburgh in 1998 as well as the successful official visit by HRH The Prince of Wales and The Duchess of Cornwall in 2011.

There will be a very full programme for this State Visit and King Felipe and Queen Letizia will be greeted on arrival by Viscount Brookeborough. The following morning they will have a private lunch at Buckingham Palace and tea at Clarence House. The State Banquet will take place in the evening. The Lord Mayor's banquet at the Guildhall will be the following day.

Spain and the UK are major trading partners with UK exports to Spain amounting to £15 billion. Bilateral trade covers a wide range of sectors including automotive, aerospace, pharmaceuticals, chemicals, fruit/vegetables and alcoholic beverages. It is worth noting that Spain's share of UK exports is higher than that of India and Brazil combined. 21 per cent of all foreign direct investment into Spain, over the past twenty five years, has come from the UK.

Spain's economic growth over recent years provides significant opportunities for

further strengthening of the bilateral business relationship. Priority sectors include energy – Spain is the world's fourth largest generator of wind energy – education, healthcare, food and drink, agriculture and defence.

Spain is also a major exporter of goods and services to the United Kingdom – with some £24 billion recorded in 2016, representing 7 per cent of Spain's total exports. The UK also accounts for over 20 per cent of Spain's tourist income. Indeed, Spain enjoys a bilateral trade surplus with the UK of over £9 billion – over 1 per cent of Spain's GDP.

A central theme of this important State Visit is the bilateral trade and investment relationship. King Felipe and Queen Letizia will attend a UK-Spain Business Forum with HRH The Duke of York to promote the bilateral relationship in this area.

The State Visit of King Felipe and Queen Letizia to the United Kingdom, while providing an opportunity for private discussions, will give us all an opportunity to study the important developments in Spain and to weigh carefully the opportunities for both countries to work together even more closely.

We at FIRST are delighted to have been asked to produce this special publication to mark the State Visit and hope that it contributes, in a small way, to its success and the further development of the bilateral relationship especially in the area of trade and investment.

